

representatives must be practiced in public and by persuasion, not by intimidation, threats or other methods proscribed in the Constitution.

It is interesting to note that the series of medical practice bills vetoed by Governor Warren was before the Legislature, in the open, for six months. During that time none of the state department heads or professors appeared *in public* to oppose these measures. Their opposition was voiced, so it would seem from the Governor's letters, in the privacy of his own office.

The net result of this procedure is that a series of sound legislative measures designed to protect the public health has been jettisoned. The effect of this action on the health of the public cannot possibly be good.

Behind this entire matter is the question of the propriety of the representations made to and accepted by Governor Warren. We doubt the wisdom of accepting arguments in private which have been withheld in public. If the special pleaders whose voices found the Governor's ear claimed that their notice had been called to these bills too late to make public appearances before legislative committees, we believe the least the Governor might have done was to call in the proponents of the bills in order to get both sides of any argument.

We wonder if possibly the Governor's definition of "lobbyist" might not stand some broadening to include those who practice their arts in star chamber sessions and avoid the public glare.

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## Life Insurance Examiner Fees

Life insurance underwriting, one of the original business enterprises established in this country in colonizing days, has today grown into one of the largest financial giants in our modern business world. One insurance company advertises itself as the "largest financial institution in the world" and many others proudly present their balance sheets by way of institutional advertising, playing up in bold type their "admitted assets." On inspection, these figures prove to be well worth advertising.

The growth of this business has resulted from a number of factors, among them the desire of Americans to provide a measure of financial security for themselves and those they leave behind, aggressive sales promotion, the savings instinct and other considerations. All in all, these factors add up to the investment each year of hundreds of millions of dollars by the American people in life insurance contracts.

Along with this growth has come the development of a semi-exact science, that of the actuary. This mathematical prodigy is an individual who can calculate to any number of decimal points the chances the underwriter is taking in issuing a new contract of life insurance. His chief calculating factors are the mortality and morbidity figures provided by health departments and used by the insurance industry as a measure of the public health and of the chances of survival or life expectancy of males and females in various walks of business and domestic life.

*Behind these figures*, and indeed responsible for their constant improvement (to the financial gain of the insurance underwriters) *is the physician who examines the patient* before the insurance contract is issued. The underwriter relies on the word of the doctor as to the insurability of the prospective policyholder. The answers given by the examining doctor are set alongside the mathematical calculations of the actuary and the policy is issued or declined on the basis of this comparison. A good

risk is insured, a poor risk declined or "written up" at an increase in premium.

With the doctor occupying such a strategic position in so gigantic a financial venture, it might be assumed that the life insurance underwriters would value his services highly. Instead, the underwriters solicit the services of the doctors for their examinations at a flat fee, generally five dollars, regardless of the exacting requirements of making and reporting the examination or the complexities of any individual examination. This same fee has been standard for fifty years or more!

Within the past few years the American Medical Association and some state medical associations, notably in New Jersey, have taken steps to have this examination fee reviewed with the thought of an upward adjustment. It is sad to report that these efforts have been, until recently, entirely fruitless. The insurance associations have consistently passed the buck to the individual underwriters. The individual underwriters have taken the stand that the examination fee is a fixed item and not subject to reconsideration. The doctors making the inquiry have been left in the middle, with no results from any source.

Consequently, it is slightly encouraging to learn that a few life insurance companies have recently seen fit to increase the fee for examinations. We are informed that the Connecticut Mutual, the Equitable of New York, and the Fidelity Mutual of Philadelphia have put into effect an examination fee fifty per cent above the old standard. One might reasonably have expected a one hundred per cent increase, but even slight progress is noteworthy.

We commend these companies for their action in better evaluation of the services of the examining physician, in recognizing the decreased value of the older fee, in insuring suitable handling of their cases and, particularly, in leading the way out of an archaic situation. May improvement now be regular.